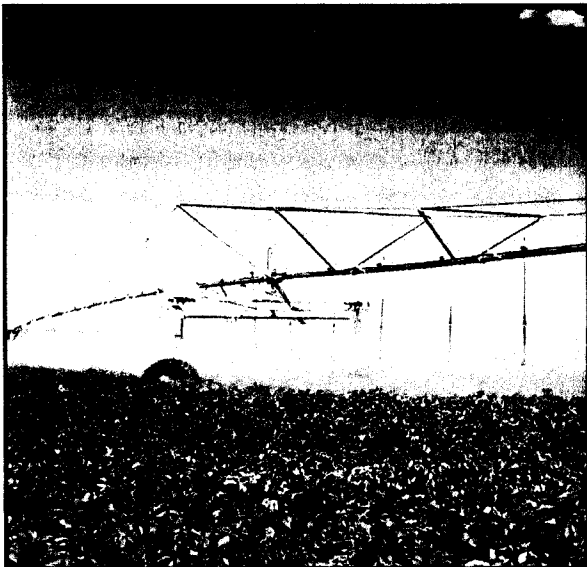
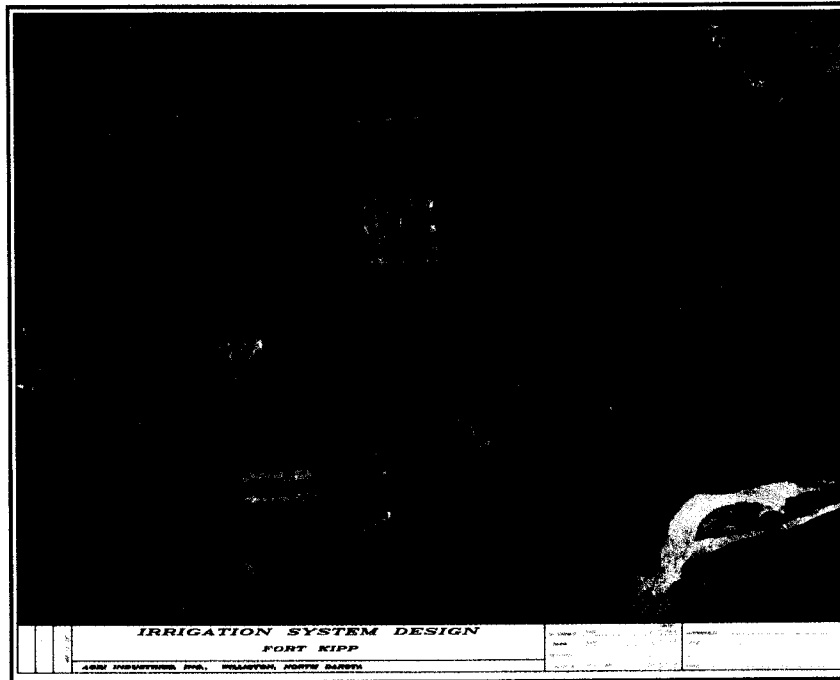


Fort Kipp Irrigation Project

EXHIBIT 1
DATE 3/20/09
~~100~~ Long Range Project



**A PROJECT OF THE FORT PECK TRIBES
AND THE EASTERN PLAINS RC&D**

FORT PECK TRIBES

Assiniboine & Sioux

March 11, 2009

Honorable Governor Schweitzer:

The Fort Peck Tribes is currently on the verge of a new agricultural frontier. We are currently in the process of developing 2,300 acres of Tribal and allotted land to pivot irrigation southeast of Fort Kipp (Roosevelt County), Montana. Although this project is small, we hope it is the stepping stone to future irrigation and industry development, as we show all suitors that the Fort Peck Tribes is open for business, and willing to utilize its vast water, land and labor forces to bring economic prosperity to the Mon-Dak Region.

We are aware that there may be funds available through the economic stimulus package that may be able to help us in our endeavor. We humbly request that this project be considered for funding. We have been working with Representative Campbell and our friends in the Legislature to promote our project.

We believe the project is "shovel ready" as we are just putting the finishing touches on our easements for burying the pipeline. We have been working with MDU and are ready to proceed with the installation of the power that will supply the pumps and the pivots.


I have included a copy of the cost estimate which is about \$2.55 million and a map of the area. As part of the pivot design, the pivot corners will be planted to community gardens and native berry trees such as June berry, chokecherry and buffalo berry which continue to be a staple of the Sioux/Assiniboine culture, not to mention the local wildlife of the area.

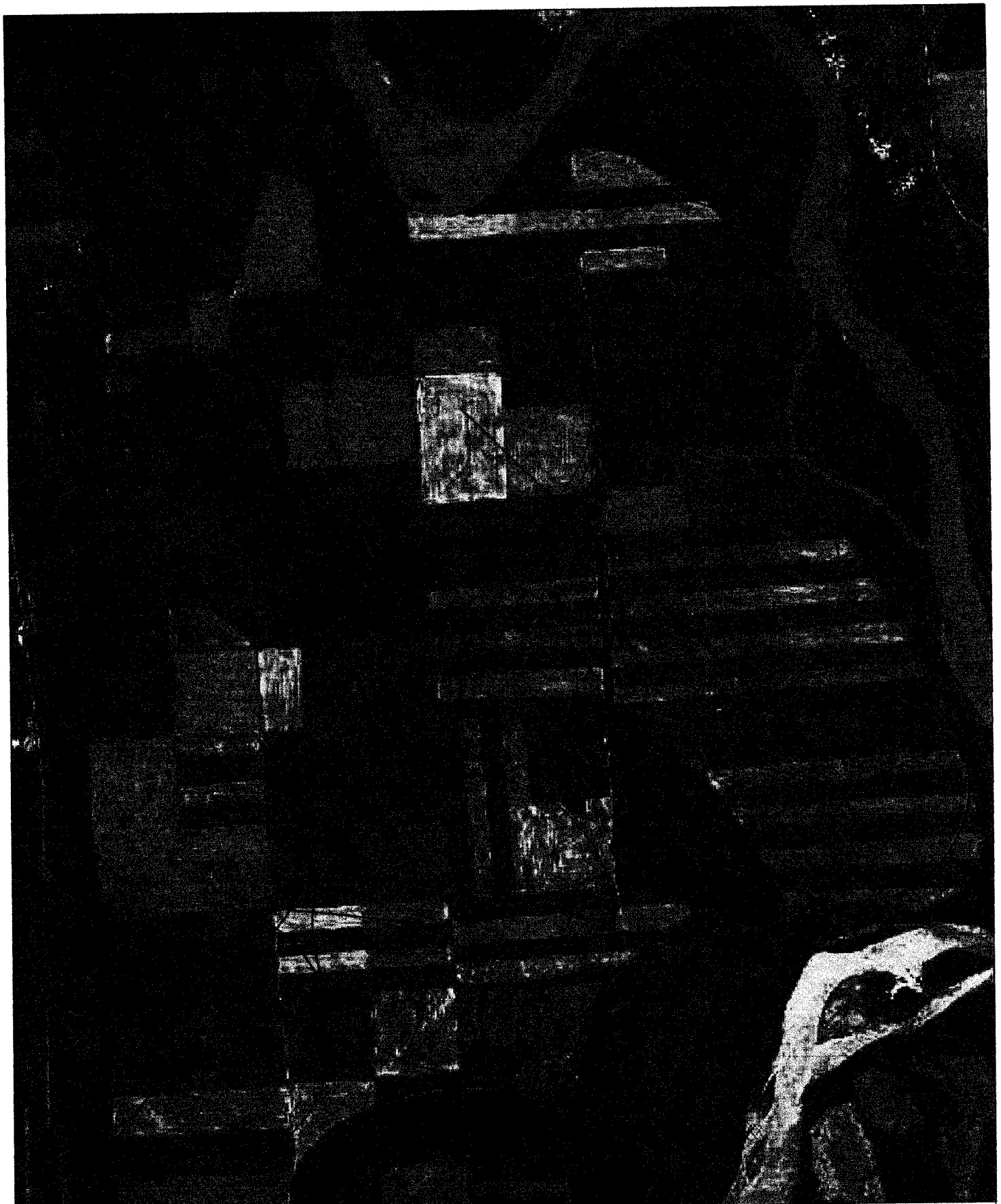
We look forward to any support you may be able to give to our project. We are aware that the tasks in front of you are monumental but have every confidence that you will continue to do what is best for all Montana.

If you have any technical questions about the project, please contact Paul Finnicum, NRCS Tribal Liaison at 768-7733 or by email at mtpaul_98@yahoo.com.

Thank you for your time and support.

Yours truly,


A.T. Stafne
Chairman, Fort Peck Tribes



IRRIGATION SYSTEM DESIGN

FORT KIPP

ACRI INDUSTRIES, INC., WILLISTON, NORTH DAKOTA

Feasibility Study and Proposal for:

Agri Industries, Inc.

Hwy 2 & 85 West
PO Box 1166
Williston, ND 58801
(701) 572-0767
(701) 577-4040 Fax
(800)735-4908

www.agri-industries.com

We are pleased to submit the following:

PROJECT: Valley Pivot Irrigation Systems

February 27, 2008

**Fort Kipp Area Irrigation Project
Fort Kipp, MT**



QUANTITY	DESCRIPTION	UNIT	TOTAL
8 ea	Model 8000 Valley Center Pivot. 8" Pivot Point.		
	Valley Select Panel. Low Pressure Shut Off.		
	Strobe Light. High Voltage Surge Protection. 11Rx24.5 Tires		
	Nelson Rotator Nozzles w/ 4 Foot Ground Clearance.		
	Nelson SR 100 Big Gun. 2 HP Booster Pump.		
	1 each 2059' Long @ 310 Acres		
	1 each 2415' Long @ 425 Acres		
	1 each 2285 Long @ 375 Acres		
	1 each 1698' Long @ 160 Acres		
	1 each 2006' Long @ 300 Acres		
	1 each 1772' Long @ 225 Acres		
	1 each 2150 Long @ 340 Acres		
	1 each 1597' Long @ 190 acres		
8 ea	Valley PRO2 Panel Upgrade		
10 ea	Valley Radio Remote Link System		
	W/ Radio at each pivot site and pump location		
	Real-time data and control of system		
	Full functional control with PRO2 upgrade		
	Dedicated computer for Remote Link		
	Fully mapped system for intuitive monitoring		
8 era	Heavy Duty Valley Pivot Pad		
16 ea	Freight and Unloading at Job Site		
16000 ft	Pivot Erection		
8 ea	30 Amp, 3 Phase, Pivot Electrical Service		
Estimated Sales Price Today			\$1,340,000

SALESMAN Neil Iversen

This estimate is meant for your internal use only. We ask that these items and terms be kept confidential.

ACCEPTED BY PURCHASER
AGRI INDUSTRIES, INC.

DATE

Feasibility Study and Proposal for:

Agri Industries, Inc.

Hwy 2 & 85 West
PO Box 1166
Williston, ND 58801
(701) 572-0767
(701) 577-4040 Fax
(800)735-4908



February 27, 2008

**Fort Kipp Area Irrigation Project
Fort Kipp, MT**

www.agriindustries.com

We are pleased to submit the following:

PROJECT: Pumping Stations

QUANTITY	DESCRIPTION	UNIT	TOTAL
3 ea	Ames Floating Pump System FPS1240		
	W/ 12" x 40' Discharge		
	10' x 30" Self leveling fiberglass floats		
	Catwalk and hand rail		
	11R x 24.5 Pivot tires		
	Hydraulic lift axel assembly		
3 ea	Ames Self Cleaning Screen SLC 2036		
	W/ 20" Tall x 36" Diameter		
	Self cleaning spray bar requiring 50 GPM		
	8 Opening per inch mesh		
3 ea	Cornell 10YB-1800 RPM-100 HP Close Coupled Pumps		
	W/ 3 Phase, 460 Volt electric motors		
	4500 GPM @ 65' TDH		
4 ea	Cornell 6RB-1800 RPM-125 HP Close Coupled Pump		
	W/ 3 Phase, 460 Volt electric motors		
	3000 GPM @ 125' TDH		
3 ea	100 HP Soft Start Pump Control Panel		
	W/ Lead/Lag operation capabilities		
1 ea	125 HP Variable Speed Pump Control Panel		
	W/ Lead/Lag operation capabilities		
3 ea	125 HP Soft Start Pump Control Panel		
	W/ Lead/Lag operation capabilities		
1 ea	Install electrical service by licensed MT Master Electrician		
3 ea	River Pump Discharge Dog Legs		
	W/ Valves and Check Valves		
1 ea	Booster Station Intake and Discharge Manifold		
	W/ Valves and Check Valves		
1 ea	#12-2 Cu Control Wire and Installation		
Estimated Sales Price Today			\$365,000

SALESMAN Neil Iversen

This estimate is meant for your internal use only. We ask that these items and terms be kept confidential.

ACCEPTED BY PURCHASER

DATE

AGRI INDUSTRIES, INC.

feasability and proposal--pumps big pivots

Feasibility Study and Proposal for:

Agri Industries, Inc.

Hwy 2 & 85 West
PO Box 1166
Williston, ND 58801
(701) 572-0767
(701) 577-4040 Fax
(800)735-4908
www.agriindustries.com



February 27, 2008

**Fort Kipp Area Irrigation Project
Fort Kipp, MT**

We are pleased to submit the following:

PROJECT: Agri Industries Lease Option

QUANTITY	DESCRIPTION	UNIT	TOTAL
1 ea	Total Pivot Proposal		\$1,340,000
1 ea	Total Pipeline Proposal		\$795,000
1 ea	Total Pump Proposal		\$365,000
	Total Proposed Sales Price		\$2,500,000
Agri Industries proposes a lease financing option with a buyout option at the end of the term. Find below the terms.			
2300	Proposed Total Acres		
Year 0	\$130 Per Acre Lease	\$	299,000
Year 1	\$130 Per Acre Lease	\$	299,000
Year 2	\$130 Per Acre Lease	\$	299,000
Year 3	\$130 Per Acre Lease	\$	299,000
Year 4	\$130 Per Acre Lease	\$	299,000
Year 5	\$130 Per Acre Lease	\$	299,000
Year 6	\$130 Per Acre Lease	\$	299,000
Year 7	\$130 Per Acre Lease	\$	299,000
Year 8	\$130 Per Acre Lease	\$	299,000
Year 9	\$130 Per Acre Lease	\$	299,000
Year 10	50% Buyout of Sales Price	\$1,250,000	
	for Full Ownership of Equipment		

SALESMAN Neil Iversen

This estimate is meant for your internal use only. We ask that these items and terms be kept confidential.

ACCEPTED BY PURCHASER
AGRI INDUSTRIES, INC.

DATE

feasability and proposal--lease option big pivots

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[Volume 2006](#)

[Volume 2007](#)

[Volume 2008](#)

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LAW AND JUSTICE :: Deputy Public Safety Director position controversy

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BENEFITTING FROM THE LARGEST INDIAN WATER RIGHT SETTLEMENT IN HISTORY-FORT PECK RESERVATION IRRIGATION DEVELOPMENT

Volume: 2007, Issue: 25

Written by Author Undefined

2007-06-21

INTRODUCTION

The purpose of this paper is to discuss the development of new irrigate agriculture on the Fort Peck Indian Reservation (Reservation). The Reservation, centered in Poplar, is the second largest reservation in Montana, covering over two million acres of land, and is the home to nearly half of the 11,755 enrolled Sioux and Assiniboine tribal members (Tribes). Engineering feasibility, socio-economic analysis and a business plan have been developed. The Tribes are aggressively pursuing financing for irrigation supply works development and are seeking cost share from the Federal government in the amount of 50 percent of the project costs along with funding assistance for additional feasibility studies.

Unlike most rural areas in the upper Missouri River Basin which are losing population, reservations such as Fort Peck are experiencing an increase. The Assiniboine Sioux tribal Enterprise Community indicates nearly half of their enrolled tribal members are under the age of 18. The Tribes are taking an aggressive approach to offer educational opportunities and training to meet existing and future employment needs within the tribal community. With current tribal unemployment at 53.6 percent, significant efforts are underway to provide employment opportunity by encouraging on Reservation development leading to not only an economic boost to the tribal community but also to economic benefits and opportunity within the rural area of Eastern Montana. Significant availability of land and water are two of the driving factors for the future of the Reservation.

In 1979, the State of Montana revised its Water Use Act to create a state court adjudication process for the comprehensive adjudication of water rights, including federal and Indian reserved rights. The Montana State Legislature created the Montana Reserved Water Rights Commission and gave the Commission the authority to negotiate with Indian tribes and federal agencies.

Negotiations began between the Sioux and Assiniboine Tribes of the Fort Peck Reservation and the State of Montana in 1980. Agreement between the State and the Tribes was reached in 1984. The Fort Peck Tribal Council and the Montana Legislature approved the Compact in 1985. The Compact was subsequently approved by the United States Attorney General and the Secretary of the Interior.

With ratification of the Fort Peck-Montana compact, the water right settlement became the largest Indian water right settlement in history. The water right settlement gave the tribes an entitlement of 1,050,472 acre-feet of water from the Missouri River allocated for use on the Reservation. The priority date for this water right is 1888. Now, almost 22 years after ratification, only a small portion of the compacted water has been put to use and only with limited benefits.

The most significant future use for the compacted water is the development of new irrigation. There is little opportunity to benefit from the water right settlement for other types of use. The exception is a municipal, rural and industrial water supply system which is currently under construction and will provide service to on and off reservation beneficiaries. Congress recently enacted legislation to allow the tribes to deliver a portion of their water to off reservation areas (Fort Peck-Dry Prairie). At maximum capacity this development will utilize 7 acre-feet of water annually. With the availability of new sprinkler technology for efficient irrigation, the opportunity now exists to develop highly productive lands that were not suitable for development under old irrigation technology.

WHY IRRIGATION?

Water and suitable land are available for development on the Reservation. Availability of water in combination with suitable land is almost nonexistent for new irrigation development in the western United States, especially in the amounts that are available to the Reservation. With the compacted large water right (enough to irrigate 500,000 acres)

And large expanses of flat, contiguous land close to the Missouri River, irrigation is an attractive draw to growers throughout the west. The development of new irrigation is even more attractive with more than 1,000,000 acres going out of development annually due to urban development.

A number of large growers from Washington, Oregon, Montana and North Dakota have participated in site visits. Interest is significant with almost an immediate willingness to start on-farm development of sprinkler irrigation. Factors that make irrigation development attractive include:

- Affordable leases;
- Well drained silt loam to sandy loam soils suitable for high value crops;
- Favorable power rates (especially with the potential availability of irrigation pumping power from the Pick-Sloan Missouri Basin Program);
- Two completed engineering feasibility studies;

- Development of a business plan;
- No state sales tax;
- Federal designation of the Fort Peck Reservation as a Tribal Enterprise Zone;
- The benefits of an ideal location for food processing plants;
- Available transportation via BNSF railway along with a major U.S. highway running east-west through the Reservation;
- And, a supporting and willing Tribal Government.

Engineering feasibility studies for two on Reservation irrigation projects were completed by IRZ Consulting in 1997 and 1999 and both have been updated in 2006. a brief summary follows:

The Fort Kipp Irrigation Project, approximately 2,000 acres, is conveniently located next to the Missouri River about 25 miles East of Poplar. The estimated development cost for this acreage is \$3.3 million. There is significant potential for financial assistance from the State of Montana and willingness from investment banks to provide financing for at least 50 percent of the project cost. Development of this project could start almost immediately, taking advantage of existing agricultural processing infrastructure in the Sidney, Montana area. Pumping power costs for this project are low with only about 20 feet of lift to the project service area.

The North of Sprole Irrigation Project, approximately 15,000 acres, is located north of the Missouri River about 6 miles east of Poplar. The estimated development cost of this acreage is \$43 million. Investment banks have indicated willingness to finance at least 50 percent of the project development costs. The Tribes are considering options for cost share and will be seeking assistance from the Montana Congressional delegation for authorizing legislation and funding for Federal assistance. The Tribes recognize current economic factors preclude this irrigation development without assistance in the form of cost share by the United States. Without Federal assistance in the form of a grant, the economic development needed to create on reservation opportunity will not occur and the tribes will be left with little opportunity to provide the benefits that will lead to increased self sufficiency for tribal members.

ISSUES

Ownership – Reservation lands are in a combination of tribal, fee and allotted ownerships. An arrangement is necessary between the Tribes and the non-tribal ownerships to provide for management by the Tribes of all lands within the project areas. A preliminary public meeting held March 12, 2007 (check date), provided positive insight on the willingness of the non-tribal owners to participate in this activity. Additional public meetings will be scheduled. The Tribes will pursue establishment of an appropriate Tribal entity to manage the project lands.

Federal Legislation – Federal legislation will facilitate development of irrigation on the Reservation and contribute to necessary economic development. In particular, the development of the North of Sprole project will require Federal participation in the form of:

- Authorization for 50/50 cost share through the use of grants and cooperative agreements for the Bureau of Reclamation;
- Recognition for the need and funding for additional feasibility studies for additional irrigation on the Reservation including authority to use regional economic benefits and high value crops such as potatoes and onions to establish economic feasibility;
- Authorization as Federal projects under the Pick-Sloan, Missouri River Basin Program for the purpose of receiving Project-use irrigation pumping power;
- Clarification of project ownership requirements for the purpose of receiving Pick-Sloan Project-use irrigation pumping power;
- Other provisions considered necessary to further the development of additional irrigation on the Reservation.

State participation- The State of Montana will continue to have an important role and a strong interest in promoting new irrigation, infrastructure and opportunity within the State and on reservations. There is a significant possibility for the availability of State grants for this development.

Financing – The Tribes have contacted financial institutes in respect to financing a portion of the project cost. Bank officials have indicated a willingness to finance up to one half (about \$22 million) of the total project costs of the 5,000 acre North of Sprole Project. Financing avenues are also being pursued for the 2,000 acre Fort Kipp Project and the Tribes are confident in their ability to fund and put Fort Kipp into operation in a short time frame.

Business plan – A business has been developed. The Executive Summary indicates as many as 287 new jobs could be created with the construction of both of the irrigation projects. The benefits to the Fort Peck community would be well worth the investment necessary to take these irrigation projects forward.

Ongoing activities – The Fort Peck Tribes, the Tribal Employment Rights Office, and the Construction Crafts Unions have entered into an agreement to provide job opportunity and apprenticeship training on the Reservation. This activity will provide employment for ongoing construction activities associated with The Fort Peck Dry Prairie Rural Water Supply Project and other construction activities on the Reservation.

Environmental compliance – Preliminary review of the proposed actions by the tribes Environmental Office indicated little or no concern about the environmental aspects of these projects.

Processors – A number of processors have visited the proposed irrigation sites and have expressed a strong interest in the area. Interest has also been expressed by growers in North Eastern Montana and North Western North Dakota in the formation of a coalition to promote regional processing for the benefit of their respective areas. To stimulate additional interest, the business plan recommends development of an agricultural business park for grain storage, potato...

FORT PECK TRIBES LOOKING TO DEVELOP IRRIGATION AT FORT KIPP

Over 1100 Individual Indian landowners from around the world received letters last fall requesting easements to develop irrigation on their land. For the last year and a half the Tribal Executive Board has been working to develop 2,300 acres of farmland to irrigation for the purposes of economic development in the Fort Kipp Area. The development of these irrigation units will develop the potential to raise the value of the land, raise lease rates and improve the overall economy of the Fort Peck Reservation Community. This project not only serves to benefit the Fort Peck Tribes but the whole Mon-Dak Region. has been some confusion in the letters, especially the point of contact.

This irrigation project is unique in that it will involve both Tribal and Allotted land to be leased together under one system. Installation of pipe for the mainline hopefully will commence this spring, with sprinklers up and running by next fall. The pivots will be used to grow many different crops and the pivot corners will contain drip irrigation suitable for growing shrubs such as buffalo berry, june berry, and even a community garden.

The Tribal Executive board has been working hard since 2000 to develop irrigation and utilize their 250,000 acre foot water right they have from the Missouri River specifically for irrigation development. The hope is that this will be the first of many irrigation development projects in the future to benefit both Tribal and Allotted landowners. Once again, for further information on this project please contact Paul Finnicum at 406-768-3964 or 406-768-7733.